

104TH CONGRESS
1ST SESSION

H. R. 1160

To amend the Internal Revenue Code of 1986 to provide that new income tax deductions, credits, exclusions and other benefits shall be allowed only if the projected Federal budget deficit meets certain deficit targets.

IN THE HOUSE OF REPRESENTATIVES

MARCH 8, 1995

Mr. BROWDER introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to provide that new income tax deductions, credits, exclusions and other benefits shall be allowed only if the projected Federal budget deficit meets certain deficit targets.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Balanced Budget Divi-
5 dend Act”.

1 **SEC. 2. NEW INCOME TAX BENEFITS TO BE ALLOWED ONLY**
 2 **IF FEDERAL BUDGET DEFICIT MEETS CER-**
 3 **TAIN TARGETS.**

4 (a) IN GENERAL.—Part IV of subchapter A of chap-
 5 ter 1 of the Internal Revenue Code of 1986 (relating to
 6 credits against tax) is amended by adding at the end the
 7 following new subpart:

8 **“Subpart H—New Income Tax Benefits To Be Al-**
 9 **lowed Only If Federal Budget Deficit Meets Cer-**
 10 **tain Targets**

“Sec. 54. New income tax benefits to be allowed only if Federal
 budget deficit meets certain targets.

11 **“SEC. 54. NEW INCOME TAX BENEFITS TO BE ALLOWED**
 12 **ONLY IF FEDERAL BUDGET DEFICIT MEETS**
 13 **CERTAIN TARGETS.**

14 “(a) IN GENERAL.—No new income tax benefit shall
 15 be allowed for any taxable year if, for the applicable Fed-
 16 eral fiscal year, there is a deficit reduction shortfall.

17 “(b) DEFICIT REDUCTION SHORTFALL.—For pur-
 18 poses of this section—

19 “(1) IN GENERAL.—There is a deficit reduction
 20 shortfall for any fiscal year if the projected deficit
 21 for such fiscal year exceeds the target deficit for
 22 such fiscal year.

23 “(2) PROJECTED DEFICIT.—The term ‘pro-
 24 jected deficit’ means, with respect to any fiscal year,

1 the amount specified in the first concurrent resolu-
2 tion on the budget for such year as the projected
3 Federal budget deficit for such year.

4 “(3) TARGET DEFICIT.—

5 “(A) IN GENERAL.—The term ‘target defi-
6 cit’ means, with respect to any fiscal year, the
7 amount specified in the first concurrent resolu-
8 tion on the budget for such year to be the tar-
9 get deficit for such year in order to achieve a
10 balanced Federal budget.

11 “(B) TARGET TO BE SPECIFIED.—There is
12 a deficit reduction shortfall for any fiscal year
13 if—

14 “(i) there is no target deficit for such
15 fiscal year,

16 “(ii) the target deficit is not less than
17 the target deficit for the preceding fiscal
18 year, or

19 “(iii) the 5-year deficit projections in
20 the resolution referred to in subparagraph
21 (A) do not show steady progress toward
22 elimination of the Federal budget deficit.

23 In the case in which the preceding fiscal year
24 referred to in clause (ii) is fiscal year 1995, the

1 target deficit for such year shall be treated as
2 being the projected deficit for such year.

3 “(c) OTHER DEFINITIONS.—For purposes of this
4 section—

5 “(1) NEW INCOME TAX BENEFIT.—The term
6 ‘new income tax benefit’ means any credit, deduc-
7 tion, exclusion, or other benefit under this chapter—

8 “(A) which is enacted after December 31,
9 1994, and

10 “(B) which (without regard to this section)
11 would result in a reduction in revenues received
12 in the Treasury under this chapter.

13 Such term includes the portion of any benefit en-
14 acted on or before such date to the extent that the
15 reduction referred to in subparagraph (B) is attrib-
16 utable to amendments made after such date.

17 “(2) APPLICABLE FEDERAL FISCAL YEAR.—
18 The term ‘applicable Federal fiscal year’ means,
19 with respect to any taxable year, the fiscal year end-
20 ing during the calendar year in which or with which
21 such taxable year ends.

22 “(3) CONCURRENT RESOLUTION ON THE BUDG-
23 ET.—The term ‘concurrent resolution on the budget’
24 has the meaning given to such term by section 3 of

1 the Congressional Budget and Impoundment Control
2 Act of 1974.

3 “(d) TERMINATION.—This section shall not apply
4 with respect to any fiscal year after the first fiscal year
5 for which the Federal budget is in balance.”

6 (b) CLERICAL AMENDMENT.—The table of subparts
7 for such part IV is amended by adding at the end the
8 following new item:

“Subpart H. New income tax benefits to be allowed only if Fed-
eral budget deficit meets certain targets.”

9 (c) EFFECTIVE DATE.—The amendments made by
10 this section shall apply to fiscal years beginning after Sep-
11 tember 30, 1995.

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